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Report Highlights:

Prime Minister Medvedev discounts negative forecasts of Russia's WTO accession...Russian Government approves program on improving the use of agricultural land...Russian Government increases credit to crop and livestock producers...The Ministry of Agriculture outlines criteria for determining which parts of Russia are "Territories Unfavorable for Agricultural Production"... Russian Government creates Federal Agency of Scientific Organizations and names Head of this agency...Moscow Government outlines plans to transform the city's markets...Idea of Grain Pool among Black Sea suppliers is raised again...Dr. Gennady Onishchenko is replaced as Head of Rospotrebnadzor...As well as various announcements from the Russian Veterinary Service

General Information:

Welcome to the Russian Agricultural Policy and Situation Bi-Weekly Update, a summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Russia, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

Prime Minister Medvedev Discounts Negative Forecasts of Russia's WTO Accession

Recently Prime Minister Medvedev expressed that the "gloomy" forecasts by some of Russia's WTO accession have turned out to be wrong, and that Russia's membership as improved the competitiveness of the Russian economy. For more information please see

http://voiceofrussia.com/news/2013_10_29/Gloomy-forecasts-on-Russia-s-future-in-WTO-turn-out-to-be-wrong-Medvedev-6277/

Russian Government Adopted Federal Program on Improvement and Development of Russian Agricultural Land in 2014-2020

The Government Resolution No. 922 of October 12, 2013, approved the Federal Target Program "Improvement and Development of Agricultural Land in Russia in 2014-2020" (hereinafter – the Program). The Resolution and the Program were published on October 22, 2013:

<http://government.ru/docs/7659>. The objectives of the Program are the following:

- to improve the productivity and sustainability of agricultural production and soil fertility by the whole complex of land improvement and development measures taking into consideration global and regional climate changes and natural source anomaly;
- to increase production potential of reclaimed lands.

The Program envisages the whole complex of measures for restoration and upgrading of existing irrigation and reclamation systems, and for development of new systems both at the federal, provincial and local levels, and at individual agricultural enterprises. The Program also envisages such measures as agro-forestry, phyto- and agronomic measures for prevention of agricultural land disposal. The funding of the Program for the whole period 2014-2020 will be 185.06 billion rubles (\$5.69 billion), including 75.3 billion rubles (\$2.32 billion) from the federal budget, 46.0 billion rubles (\$1.42 billion) from provincial budgets, and 63.76 billion rubles (\$1.96 billion) from other, non-budget sources.

Russian Government Increases Interest Rate Subsidies for Investment Credits to Crop and Livestock Producers in 2013

The Russian Government continues the redistribution of Ministry of Agriculture's federal funds for subsidies to agricultural producers after these funds were increased by 41 billion rubles (\$1.26 billion) in June 2013 through Amendments to the Federal Budget 2013 (Federal Law No. 133-FZ of June 7, 2013) (for more information on the Federal Law No. 133-FZ of June 7, 2013 see FAS/Moscow GAIN Report [Agricultural Budget 2013 Increased by 41 Billion Rubles 8-19-2013.pdf](#)). Government Order No. 1908-p of October 19, 2013 approved the increase of federal subsidies for interest rate

compensations for investment loans in 2013. The subsidies for investment loans in crop production, processing and marketing are increased by 3 billion rubles (\$92.3 million) to 11.79 billion (\$362.6 million) and subsidies for investment loans in livestock production, processing and marketing are raised by 3.87 billion rubles (\$119.2 million) to 32.61 billion rubles (\$1.0 billion):

<http://government.ru/docs/7663>.

The Ministry of Agriculture Drafted Government Resolution on Approving Procedures and Criteria on Determining Territories Unfavorable for Agricultural Production

The full package is published on the official site of the Ministry of Agriculture. The documentation includes proposed rules and criteria on determining the territories unfavorable for agricultural production, soil, climatic and social-economic indicators. http://mex.ru/documents/document/v7_show/24314.133.htm.

Please refer to FAS/Moscow GAIN Report for more details: [Russia Legalizes Term Disadvantaged Areas for Agriculture 7-31-2013.pdf](#)

On October 25th 2013 the Russian Government Adopted Resolution # 959 “Regulation of the Federal Agency of Scientific Organizations” and Appointed Mikhail Kotyukov as Head of this Agency

The document was passed into implementation in Federal law "On the Russian Academy of Sciences, the reorganization of the state academies of sciences and Amendments to Certain Legislative Acts of the Russian Federation" and the Decree of the President of the Russian Federation "On the Federal Agency of Scientific Organizations." The full text of the document is published here:

<http://government.ru/docs/7778>.

The Regulation was prepared by the working group that was comprised of the representatives from the Federation Council, the State Duma, the Russian Presidential Administration, heads of the Ministry of Education, Ministry of Economic Development, Ministry of Finance, Presidents of the Academies of Sciences, Medical Sciences and Agricultural Sciences.

The management of the Agency is carried out by the government of the Russian Federation. Organizations that used to be under the authority of the Russian Academy of Sciences, Russian Academy of Medical Sciences, Russian Academy of Agricultural Sciences, are handed over to the federal body of executive authority, specifically authorized by the Government of the Russian Federation to carry out functions and powers. The new head of this organization, Mikhail Kotyukov, is a former Deputy Minister of Finance of the Russian Federation.

Meantime, the Ministry of Agriculture of the Russian Federation continues to lobby for the transfer of some agricultural research institutes, including two major veterinary research institutes from the dismantling Academy of Agricultural Sciences, to the Ministry of Agriculture.

<http://agronews.ru/news/detail/129955/> .

Moscow City Government Shared its Intentions for Renovating Moscow Markets (rynoks), Including Agricultural (farm) Markets

On October 28th 2013, the newspaper *Kommersant* published an article about the plans and ideas of Moscow authorities of the future of agricultural (farmers) markets in Moscow. The decision for renovation of the Moscow markets is taken in implementation of the Law adopted in 2006 “ On Retail Markets and Introduction changes into the Labor Code of the Russian Federation” that requires reconstruction of non-permanent structures for farmers markets into the permanent construction buildings by 2015. Otherwise they should be closed.

The Moscow Department of Trade and Services reports that there are 57 agricultural markets in Moscow: 27 of them are located in non-permanent constructions and 30 in permanent buildings. The objective of the Moscow Government is to better organize specialized markets in the city, so that they can have more transparent structure and be effectively controlled. For agricultural markets, the effort is to improve sanitary and supervision over food safety issues as well as to minimize barriers of access for farmers access to the market with their produce.

<http://kommersant.ru/doc/2330783>

The Idea of Coordination of Grain Export Policy, So Called “Grain Pool” of Kazakhstan, Russia and Ukraine, Was Brought Back to Life at the Meeting of Russian-Ukrainian Inter-Government Commission on October 15, 2013 in Kaluga, Russia

At the meeting of the Committee on Economic Cooperation of the Russian-Ukrainian Inter-Government Commission held on October 15, 2013, Nikolay Azarov, the Ukrainian Prime Minister, announced that Russia (Prime Minister Dmitry Medvedev) and Ukraine reached an agreement on creation of the “grain pool” between Russia, Ukraine and Kazakhstan within the next 6 months. The press service of the Ukrainian Prime Minister reported that the pool will be formed as the Black Sea Grain Committee, organization open for other countries to join this committee, for exchange of information and advising on the grain policy of country-members. Creation of the Black Sea Grain Exchange is also possible.

The idea of the Black Sea Grain Pool (Russia, Ukraine and Kazakhstan) was first announced at the First World Grain Forum held in St. Petersburg in 2009, but has not been implemented because of the business concerns that it may lose independence in decision making. <http://www.itar-tass.com/c1/913692.html>.

Dr. Gennady Onishchenko, Head of Rospotrebnadzor, Removed from his Position

Prime Minister Dmitry Medvedev signed a decree appointing Dr. Onishchenko as his aide, and replacing him as Head of Rospotrebnadzor with the Deputy Head of that organization, Anna Popova. According to the Russian Prime Minister’s press secretary, Natalia Timakova, the former head of Rospotrebnadzor in his new position will deal with issues similar to his previous field of expertise. For additional information, see <http://rt.com/politics/onishchenko-russia-sacked-doctor-670/>

The Head of the Russian Veterinary Service Meets with the State Duma Committee on Agriculture

Pursuant to a news release issued by the Russian veterinary service (more commonly known as Rosselkhoz nadzor), the meeting was devoted to a discussion of the priorities for legislative support for agricultural development in Russia. In his speech, Sergei Dankvert, the Head of Rosselkhoz nadzor, noted, in part, that sufficient agricultural output for export to foreign markets requires harmonization of veterinary legislation between Russia and potential importing countries, with a view towards ensuring maximum preferences for Russian exports and the implementation of measures to ensure the well-being of the territory of Russia from dangerous animal diseases. For additional information, see <http://www.fsvps.ru/fsvps/news/7890.html>

The Head of the Russian Veterinary Service Meets with the State Duma Committee on Natural Resources, Environment, and Ecology

Pursuant to a news release issued by Rosselkhoz nadzor, the meeting was devoted to a discussion of continued outbreaks across Russia of African Swine Fever and cattle diseases. Sergei Dankvert, the

Head of Rosselkhoz nadzor, noted the main reason for the rapid spread of ASF is the human factor - the violation of sanitary and veterinary measures, the lack of objective analysis of livestock on private farms, and most importantly - the practice of feeding animals food waste that has not been properly treated. Mr. Dankvert also raised serious concerns with the deterioration of the epizootic situation for a number of other dangerous diseases, such as tuberculosis, brucellosis, leukemia, leptospirosis, sheep and goat pox, and foot and mouth disease. For additional information, see <http://www.fsvps.ru/fsvps/news/7889.html>

Russian Veterinary Service Meets with the European Commission's Directorate General for Health and Consumer Protection (DG SANCO)

Among other items, pursuant to a release issued by Rosselkhoz nadzor, the two sides discussed the further inclusion of EU enterprises in the register of companies of third countries allowed to ship to Russia only after an inspection of the specific companies by the inspectors of the Customs Union. Rosselkhoz nadzor also noted that it has issued an import permit for 2,100 head of pedigree Montbelyard cattle from France. The first batch of animals has already been placed into quarantine. Should both parties no longer have any doubts that it is safe to import animals which are seropositive for Schmallenberg, Rosselkhoz nadzor will consider the possibility of applying this procedure to other EU countries. For more information, see <http://www.fsvps.ru/fsvps/news/7903.htm>

Russia Removes Temporary Restrictions on Pork Products from Several Belarusian Establishments

According to Rosselkhoz nadzor, the Deputy Head, Nikolai Vlasov, presented the Chief State Veterinary Inspector of Belarus, Yuri Pivovarchik, with a letter in which Belarus was informed that it is now possible to lift the temporary restrictions on the movement of pigs and pig products from a number of pig farms and meat processing enterprises in the Minsk region of Belarus. However, Rosselkhoz nadzor considers it necessary to conduct enhanced monitoring of products coming from these establishments, and will select samples for monitoring from ten batches imported from each of the establishments over the course of no more than three months. For additional information, see <http://www.fsvps.ru/fsvps/print/news/7901.html>

Russia Says Ukraine Cannot Join the Customs Union if it Signs an Association Agreement with the EU

According to the Belarusian Telegraph Agency (BelTA), Ukraine will not be able to join the Customs Union once it signs an association agreement with the European Union, Russian President Vladimir said after a meeting of the Supreme Eurasian Economic Council in Minsk. President Putin reportedly noted that should Russia invoke "Protocol No. 6" of the CIS agreement dated October 18 2011, "{it}" does not mean that {Russia} will ban the import of Ukrainian goods to the Russian market. It means that these products will not enjoy preferential treatment within the framework of the free trade area...." According to a separate BelTA article, Ukraine still believes it will be able to cooperate with the Customs Union after signing the Agreement. For more information, see <http://news.belta.by/en/news/politics?id=730627> and <http://news.belta.by/en/news/politics?id=730717>

Belarusian President announces Many Countries Interested in an FTA with the Customs Union

According to BelTA, the President of Belarus, Vietnam, New Zealand, members of the European Free Trade Association, India, Israel, and other countries and economic blocs have expressed interest in establishing free trade procedures with the Customs Union. President Lukashenko was quoted as saying "{i}t is obvious for everyone that it is much easier to overcome the crisis phenomena that exist in the

global economy together.” For additional information, see

<http://news.belta.by/en/news/president?id=730623>, <http://news.belta.by/en/news/econom?id=730543>, and http://www.business-standard.com/article/international/india-agrees-for-fta-with-belarus-kazakhstan-russia-113102100952_1.html

Kazakhstan Reports Challenges in Joining WTO because of Customs Union

According to BelTA, Kazakhstan’s President, Nursultan Nazarbayev, indicated Kazakhstan’s will not accede to the WTO in December “... because we supported the level of protection of Russia.” President Nazarbayev stressed that the Russian-Kazakh delegation needs to negotiate with the European Union and the United States because “they insist we join from the positions we defended before joining the Customs Union.” For additional information, see <http://news.belta.by/en/news/econom?id=730553>

Russian Veterinary Service Participates in OECD Technical Session on SPS measures

According to a news release from the Russian veterinary service, a technical meeting on SPS measures was held on October 21 in Paris as part of Russia accession to the Organization for Economic Cooperation and Development (OECD). The official Russian delegation included representatives from the Russian Ministry of Agriculture, the Russian Ministry of Economic Development, and the Russian veterinary service (i.e., the Deputy Head of the Service and Chief Veterinary Officer, Yevgeny Nepoklonov). The agenda reportedly included discussions of the principles of transparency, risk assessments, and discussions on the technical regulations of the Customs Union and the individual Decisions of the Commission of the Customs Union. For additional information, see: <http://www.fsvps.ru/fsvps/news/7915.html>

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